

CITY OF CORAL SPRINGS, FLORIDA CHARTER SCHOOL BOARD OF DIRECTORS

AGENDA

Wednesday, February 1, 2023
5:00 PM

Commission Chambers, City Hall
9500 West Sample Road, Coral Springs, Florida 33065

Call to Order

Roll Call

Moment of Silence

Pledge of Allegiance

Charter School Board of Directors Meeting Agenda

- 1. Public Input Regarding Coral Springs Charter School's Operation**
- 2. Minutes Approval**
Request to approve the January 11, 2023 minutes. (REQUEST TO APPROVE)
- 3. School Report, Principal Gary Springer**
Updates on the Coral Springs Charter School. (REQUEST TO ACCEPT)
- 4. Q2 Fiscal Year 2023 Financials**
Request to accept the second quarter financials for the Coral Springs Charter School. (REQUEST TO ACCEPT)
- 5. Fiscal Year 2022 Audited Financials, Keefe, McCullough & Co.**
A certified public accounting firm completed an audit of the Coral Springs Charter School's financial statements for the year ended June 30, 2022. A copy of the audited financial statements is included. Request to accept the Independent Auditor's Report by Keefe, McCullough & Co., for the Coral Springs Charter School. (REQUEST TO ACCEPT)

Board Communications

Adjournment

If a person decides to appeal any decision made by the Coral Springs Charter School Board of Directors with respect to these matters, individual(s) must ensure that verbatim record of the proceedings is made. The record should include the testimony and evidence upon which the appeal is to be based.

Residents planning to attend the meeting who need special assistance must notify the City Clerk's Office at (954) 344-1065 no later than 24 hours preceding the meeting.

Summary Sheet

Agenda Item: 1.

Meeting Date: February 1,
2023

Subject: Public Input Regarding Coral Springs Charter School's Operation

Placement: Charter School Board of Directors Meeting Agenda

Summary Sheet

Agenda Item: 2.

Meeting Date: February 1,
2023

Subject: Minutes Approval

Requested Action: Request to approve the January 11, 2023 minutes. (REQUEST TO APPROVE)

Placement: Charter School Board of Directors Meeting Agenda

Attachments: [Summary of January 11, 2023 Regular Meeting](#)

CITY OF CORAL SPRINGS, FLORIDA CHARTER SCHOOL BOARD OF DIRECTORS

DRAFT SUMMARY

Wednesday, January 11, 2023
5:30 PM

Commission Chambers, City Hall
9500 West Sample Road, Coral Springs, FL 33065

Call to Order

The meeting was called to order by Chair Cerra at 5:32 p.m. The meeting was held in the Commission Chambers, 9500 West Sample Road, Coral Springs, Florida.

Roll Call

Chair Shawn Cerra
Vice Chair Joshua Simmons (*Arrived 5:33 p.m.*)
Board Member Scott Brook
Board Member Nancy Metayer Bowen (*Arrived 5:33 p.m.*)
Board Member Joy Carter

Also in attendance:

City Manager Frank Babinec
City Attorney John Hearn
City Clerk Georgia Elliott
Deputy City Manager Catherine Givens
Charter School USA (CSUSA) Representative Rita Weaver

Moment of Silence

Pledge of Allegiance

Charter School Board of Directors Meeting Agenda

1. Public Input Regarding Coral Springs Charter School's Operation

There were no speakers.

2. Minutes Approval

Request to approve the December 7, 2022, minutes. (REQUEST TO APPROVE)

Board Member Brook, seconded by Board Member Carter, moved to approve the minutes of the December 7, 2022, regular meeting. By unanimous vote, the motion carried.

3. School Report - Principal Gary Springer

Updates on the Coral Springs Charter School. (REQUEST TO ACCEPT)

Principal Springer explained the CSUSA Fall 2022-23 Satisfaction Survey results. A copy of the survey results was made a part of the agenda packet. Mr. Springer and Ms. Weaver fielded questions from the board and highlighted avenues for improvement.

Principal Springer provided updates on various school activities and noted the following highlights:

- Winter sports are nearing completion
- Recognized city staff for their assistance with the Parkland Buddy Sports event
- Open house was announced for interested families and is scheduled for January 12, 2023

- Announced that the open enrollment period is currently opened, January 9-February 11, 2023

Vice Chair Simmons, seconded by Board Member Brook, moved to accept the School Report presented by Principal Gary Springer. By unanimous vote, the motion carried.

4. Audit Representation Letter - Coral Springs Charter School

Request to accept the Keefe, McCullough & Co. audit representation letter as the independent auditor for the Coral Springs Charter School for the year ending June 30, 2022. (REQUEST TO APPROVE)

Ms. Weaver explained the audit representation letter.

Board Member Brook, seconded by Board Member Carter, moved to approve the audit representation letter. By unanimous vote, the motion carried.

5. Make Up School Days

Request to approve the make-up days proposed by the Broward County School Board due to Hurricane Ian and Nicole to satisfy the required number of instructional hours. The conversion of the days satisfies the required instructional hours missed in lieu of the elimination of student holidays (REQUEST TO APPROVE).

Principal Springer explained the item.

Board Member Metayer Bowen, seconded by Vice Chair Simmons, moved to approve the proposed Broward County School Board make-up days due to Hurricane Ian and Nicole. By unanimous vote, the motion carried.

Board Communications

Board Member Brook sought clarification on incoming 6th grade students with special needs receiving admission preference. Principal Springer explained the admissions process for all students and noted that admission preference was not given to special needs students at this time. Principal Springer reviewed the applicant preferences that were currently in place: children of CSUSA/City employees, sibling-attending (siblings of current students), children of active-duty military, and Coral Springs residents.

Chair Cerra welcomed the opportunity for the Board to attend teacher and student recognition events. Principal Springer explained the various recognition programs currently in place and agreed to provide the dates to the Boards' administrative manager for calendaring purposes.

Deputy City Manager Givens recognized the city's successful partnership with CSUSA.

Adjournment

There being no additional business, the meeting adjourned at 6:02 p.m.

Georgia Elliott, CMC City Clerk

These minutes are a permanent public record of the City of Coral Springs maintained in the Office of the City Clerk.

Summary Sheet

Agenda Item: 3.

Meeting Date: February 1,
2023

Subject: School Report, Principal Gary Springer

Requested Action: Updates on the Coral Springs Charter School. (REQUEST TO ACCEPT)

Placement: Charter School Board of Directors Meeting Agenda

Summary Sheet

Agenda Item: 4.

Meeting Date: February 1,
2023

Subject: Q2 Fiscal Year 2023 Financials

Requested Action: Request to accept the second quarter financials for the Coral Springs Charter School. (REQUEST TO ACCEPT)

Placement: Charter School Board of Directors Meeting Agenda

Attachments: [Q2 Financials](#)



Variance Analysis Report - Consolidated

CSCS-Coral Springs Charter School

For the Period Ended 12/31/2022

	YTD Actuals	YTD Budget	Variance to Budget		Explanation	Forecast	Budget	Variance to Budget	
			\$ Change	% Change				\$ Change	% Change
Revenues									
State Sources									
FEFP	\$ 6,885,698	\$ 6,420,062	465,635	7%	Note A	\$ 14,253,620	\$ 12,840,125	1,413,496	11%
Capital Outlay	467,811	449,332	18,479	4%		930,695	898,664	32,031	4%
Other Revenue Sources									
Private Grants / Contributions	63,778	-	63,778	-		63,778	-	63,778	-
Other Program Revenues	502,184	300,398	201,786	67%	Note B	828,852	627,232	201,620	32%
Interest Income	6,942	1,894	5,048	267%		12,924	3,788	9,136	241%
Special Revenue Sources									
Federal Grants Revenue	83,289	199,266	(115,977)	-58%	Note C	1,410,849	1,424,245	(13,396)	-1%
State Grants Revenue	26,861	155,596	(128,735)	-83%	Note D	38,987	323,318	(284,331)	-88%
Total Revenues	\$ 8,036,562	\$ 7,526,548	\$ 510,014	7%		\$ 17,539,706	\$ 16,117,372	\$ 1,422,333	9%
Expenses									
Instruction	4,443,892	4,089,560	(354,332)	-9%	Note E	8,796,595	8,532,800	(263,795)	-3%
Instruction Support Services	611,240	517,581	(93,660)	-18%		1,142,474	1,098,857	(43,617)	-4%
Board	850	750	(100)	-13%		12,179	12,500	322	3%
School Administration	783,466	715,582	(67,884)	-9%		1,502,940	1,370,726	(132,215)	-10%
Facilities and acquisition	100,875	474,089	373,214	79%	Note F	837,618	800,178	(37,440)	-5%
Fiscal Services	492,961	409,670	(83,292)	-20%		837,661	819,475	(18,186)	-2%
Food Services	194,158	198,245	4,087	2%		463,090	431,926	(31,164)	-7%
Central Services	21,085	21,892	808	4%		45,326	43,313	(2,012)	-5%
Pupil Transportation Services	114,468	173,866	59,398	34%	Note G	386,370	386,370	-	0%
Operation of Plant	1,077,948	1,086,880	8,932	1%		2,172,834	2,178,987	6,153	0%
Maintenance of Plant	81,161	38,003	(43,159)	-114%	Note H	103,352	65,577	(37,776)	-58%
Community Service	99,003	102,211	3,207	3%		184,551	186,735	2,184	1%
Debt Service	72,453	144,906	72,453	50%		147,223	144,906	(2,317)	-2%
Total Expenses	\$ 8,093,560	\$ 7,973,235	\$ (120,326)	-2%		\$ 16,632,212	\$ 16,072,349	\$ (559,864)	-3%
Excess/(Deficit) of Rev over Exp	(56,998)	(446,687)	389,689	-		907,493	45,024	862,470	1916%
Net Change in Fund Balance	\$ (56,998)	\$ (446,687)	\$ 389,689	87%		\$ 907,493	\$ 45,024	\$ 862,470	1916%
Enrollment	1,723	1,650	73	4%		1,723	1,650	73	4%
Rate Per Student	\$ 8,273	\$ 7,782	\$ 491	6%		\$ 8,273	\$ 7,782	\$ 491	6%

Note A: FEFP Revenue higher due to increase in enrollment and rate.

Note B: Higher than budget due to the receipt of A+ School Recognition funds (offsetting expense is captured in compensation). This increase is partially offset by the timing of food service revenue.

Note C: Lower than budget to timing of reimbursements.

Note D: The ytd variance is due to recognizing TSIA (teacher salary increase allocation) in the FEFP funding line. The 26k in ytd actuals represent School Hardening grant funding received.

Note E: Unfavorable YTD variance is primarily due to bonus payout for A+ School

Note F: YTD variance is due to capital improvements anticipated for later in the year.

Note G: YTD variance is due to timing of invoice receipt.

Note H: YTD actuals include emergency unplanned expenses related to the water heater and bathrooms repairs due to plumbing issues.

Summary Sheet

Agenda Item: 5.

Meeting Date: February 1,
2023

Subject: Fiscal Year 2022 Audited Financials, Keefe, McCullough & Co.

Requested Action: A certified public accounting firm completed an audit of the Coral Springs Charter School's financial statements for the year ended June 30, 2022. A copy of the audited financial statements is included. Request to accept the Independent Auditor's Report by Keefe, McCullough & Co., for the Coral Springs Charter School. (REQUEST TO ACCEPT)

Placement: Charter School Board of Directors Meeting Agenda

Attachments: [FY22 Audit](#)

January 12, 2023

To the Board of Directors
Coral Springs Charter School
Coral Springs, Florida

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coral Springs Charter School (the "School"), for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022 except for the implementation of GASB Statement No. 87: *Leases*. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements was depreciation of capital assets. Management has informed us that they used all relevant facts available to them at the time of acquisition to make the best judgments about depreciation methods and estimated useful lives of capital assets.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

CPA's + Trusted Advisors

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements detected as a result of audit procedures. A detailed list of audit journal entries was provided to management and is available upon request.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of Coral Springs Charter School and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss any questions that you may have.

Very truly yours,

KEEFE McCULLOUGH

Coral Springs Charter School
(A Special Revenue Fund of the
City of Coral Springs, Florida)

Basic Financial Statements
For the Year Ended June 30, 2022



Coral Springs Charter School

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INDEPENDENT AUDITOR'S REPORT

To the City of Coral Springs Charter School
Board of Directors and City Manager
Coral Springs Charter School
Coral Springs, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Coral Springs Charter School (the "School"), a Special Revenue Fund of the City of Coral Springs, Florida (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the School represent only the Special Revenue Fund of the City. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022 and the changes in its financial position or budgetary comparison, where applicable, for the year ended June 30, 2022 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated (DATE) on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
(DATE)

MANAGEMENT'S DISCUSSION AND ANALYSIS



As management of Coral Springs Charter School (the "School"), a Special Revenue Fund of the City of Coral Springs, Florida, we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2022 and 2021.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit which consists of the basic financial statements and other supplementary information.

Financial Highlights

Our basic financial statements provide these insights into the results of this year's operations.

- The School's net position was \$ 5,104,778 as of June 30, 2022. Of this amount, \$ 1,683,918 represents unrestricted net position.
- The School's net position decreased by \$ 296,455 during the current fiscal year as a result of this year's operations.
- As of June 30, 2022, the School's fund balance was \$ 1,771,195.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Basic Financial Statements: The government-wide basic financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the School's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and services rendered, but unpaid).

The government-wide basic financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide basic financial statements can be found on pages 9 and 10 of this report.

Fund Basic Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide basic financial statements. However, unlike the government-wide basic financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains only one governmental fund type, which is the General Fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance for the General Fund.

The School adopts an annual budget for its governmental fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund basic financial statements can be found on pages 11 through 15 of this report.

Fiduciary Fund: In addition, the School has one Fiduciary Fund which is a student activity fund. This fund is formed for education and school purposes.

The basic Fiduciary Fund financial statements can be found on pages 16 and 17 of this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 18 through 26 of this report.

Government-Wide Financial Analysis

The School has been in operation since 1999; therefore, comparative government-wide data is presented. The School's net position was \$ 5,104,778 at June 30, 2022, which represents unrestricted net position of \$ 1,683,918 and net investment in capital assets of \$ 3,420,860. The School's net position was \$ 5,401,233 at June 30, 2021. Of this amount, \$ 2,425,550 represented unrestricted net position and net investment in capital assets was \$ 2,975,683.

**Coral Springs Charter School
Management's Discussion and Analysis
June 30, 2022**

Our analysis in the table below focuses on the net position of the School's governmental activities, as of June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Assets:		
Current and other assets	\$ 3,078,576	\$ 3,779,382
Capital assets, net of depreciation	3,563,116	3,257,589
Total assets	<u>6,641,692</u>	<u>7,036,971</u>
Liabilities:		
Current liabilities	1,470,172	1,423,848
Noncurrent liabilities	66,742	211,890
Total liabilities	<u>1,536,914</u>	<u>1,635,738</u>
Net Position:		
Net investment in capital assets	3,420,860	2,975,683
Unrestricted	1,683,918	2,425,550
Total net position	<u>\$ 5,104,778</u>	<u>\$ 5,401,233</u>

Current and other assets decreased mainly due to a reduction in the School's cash position. Capital assets, net of depreciation increased due to asset purchases of \$ 1 million somewhat offset by depreciation expense of \$ 771,936. Current liabilities increased due to the amount due to the management company and salaries and wages payable. Noncurrent liabilities decreased due to payment of the School's lease.

Governmental Activities

The results of this year's operations for the School as a whole are reported in the statement of activities on page 10. The table below provides a condensed presentation of the School's revenues and expenses for the years ended June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Revenues:		
General revenues	\$ 12,856,370	\$ 12,877,608
Program revenues	2,256,685	1,714,423
Total revenues	<u>15,113,055</u>	<u>14,592,031</u>
Functions/Program Expenses:		
Instruction	8,527,137	7,688,755
Instructional support services	5,308,753	5,356,708
Non-instructional expenses	1,573,620	1,321,300
Total expenses	<u>15,409,510</u>	<u>14,366,763</u>
Change in net position	<u>\$ (296,455)</u>	<u>\$ 225,268</u>

**Coral Springs Charter School
Management’s Discussion and Analysis
June 30, 2022**

Total revenues from governmental activities increased compared to the previous year. Program revenues increased compared to last year due to increase in grant funds. Total expenses from governmental activities increased compared to the previous year mainly due to increases in instructional and non-instructional expense.

Governmental Fund Expenditures

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

Functions/Programs	2022		2021	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Instructional expenditures	\$ 8,128,545	52%	\$ 7,312,102	49%
Plant operations and maintenance	2,144,582	14%	2,221,443	14%
Administrative services	1,581,989	10%	1,848,637	12%
Fiscal services	820,564	5%	818,964	5%
Capital outlay	1,077,463	7%	1,609,449	10%
All other functions/programs	1,904,354	12%	1,590,387	10%
Total governmental expenditures	\$ 15,657,497	100%	\$ 15,400,982	100%

Capital Assets and Debt Administration

Capital assets: At June 30, 2022, the School had capital assets of \$ 3,563,116 net of accumulated depreciation and amortization, as compared to \$ 3,257,589 at June 30, 2021. A detailed schedule is on page 23 in the notes to the basic financial statements.

Debt: At June 30, 2022, the School had outstanding debt of \$ 142,256 as compared to \$ 281,906 at June 30, 2021. Additional information on the School’s debt can be found in Notes 6 and 7 on pages 24 and 25.

General Fund Budgetary Highlights

Total revenues were favorable to budget due to a rise in state source revenues compared to the previous year and an increase in grant funds. Local sources revenues were unfavorable to budget due to lower food service (student paid lunches). Total General Fund revenues were favorable to budget by \$ 585,522. Total General Fund expenditures were unfavorable to budget by \$ 1,347,979 due to increased spending in school administration and capital outlay. Overall, the School ended the year with a change in fund balance that was unfavorable to the budget by approximately \$ 762,457.

Economic Factors and Next Year’s Budget

In fiscal year 2022, the State of Florida continued to include a teacher salary increase allocation (TSIA) of \$ 550 million. The capital outlay funding pool ended up at \$ 183.2 million. In addition to the TSIA, teachers also received a compensation increase to align overall salaries with district levels.

For fiscal year 2023, the teacher salary increase allocation will be \$ 800 million and will continue to be part of FEFP funding. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School’s strategic objectives.

Requests for Information

If you have questions about this report or need additional information, please contact Yeimy Guzman, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

DRAFT

BASIC FINANCIAL STATEMENTS



Coral Springs Charter School
Statement of Net Position
June 30, 2022

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 2,643,605
Other receivables	557
Due from other governments	376,831
Due from Fiduciary Fund - Student Activities	15,000
Prepaid items	28,212
Deposits	<u>14,371</u>
Total current assets	3,078,576
Noncurrent Assets:	
Property, equipment and right to use assets, net of accumulated depreciation and amortization	<u>3,563,116</u>
Total assets	<u>6,641,692</u>
Current Liabilities:	
Accounts payable and accrued expenses	134,065
Due to management company	357,586
Salaries and wages payable	815,730
Compensated absences	65,458
Lease	<u>97,333</u>
Total current liabilities	<u>1,470,172</u>
Noncurrent Liabilities:	
Compensated absences	21,819
Lease	<u>44,923</u>
Total noncurrent liabilities	<u>66,742</u>
Total liabilities	<u>1,536,914</u>
Commitments (Note 5)	-
Net Position:	
Net investment in capital assets	3,420,860
Unrestricted	<u>1,683,918</u>
Total net position	<u>\$ 5,104,778</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
Statement of Activities
For the Year Ended June 30, 2022**

	<u>Expenditures</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expense) and Change in Net Position</u>
Functions/Programs:					
Instruction	\$ 8,527,137	\$ -	\$ 582,960	\$ -	\$ (7,944,177)
Student support services	794,320	-	-	-	(794,320)
Instructional staff training services	50,506	-	-	-	(50,506)
Instruction related technology	102,654	-	-	-	(102,654)
Board	24,796	-	-	-	(24,796)
School administration	1,581,989	-	-	-	(1,581,989)
Fiscal services	820,564	-	-	-	(820,564)
Food services	425,406	57,874	532,012	-	164,480
Central services	296,956	-	-	-	(296,956)
Pupil transportation	276,219	-	177,207	-	(99,012)
Operation of plant	2,454,703	-	25,464	880,184	(1,549,055)
Maintenance of plant	48,362	-	-	-	(48,362)
Community services	642	984	-	-	342
Interest on long-term debt	5,256	-	-	-	(5,256)
Total governmental activities	<u>\$ 15,409,510</u>	<u>\$ 58,858</u>	<u>\$ 1,317,643</u>	<u>\$ 880,184</u>	<u>(13,152,825)</u>
General revenues:					
Grants and entitlements					12,856,256
Interest income					114
Total general revenues					<u>12,856,370</u>
Change in net position					(296,455)
Net position, July 1, 2021					<u>5,401,233</u>
Net position, June 30, 2022					<u>\$ 5,104,778</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
Balance Sheet Governmental Fund
June 30, 2022**

	General Fund
Assets:	
Cash and cash equivalents	\$ 2,643,605
Other receivables	557
Due from other governments	376,831
Due from Fiduciary Fund - Student Activities	15,000
Prepaid items	28,212
Deposits	<u>14,371</u>
 Total assets	 \$ <u><u>3,078,576</u></u>
Liabilities:	
Accounts payable and accrued expenses	\$ 134,065
Due to management company	357,586
Salaries and wages payable	<u>815,730</u>
 Total liabilities	 <u>1,307,381</u>
Commitments (Note 5)	-
Fund Balance:	
Nonspendable:	
Prepaid items	28,212
Deposits	14,371
Assigned:	
Working capital	950,000
Reserve and replacement	335,597
Technology replacement	<u>443,015</u>
 Total fund balance	 <u>1,771,195</u>
 Total liabilities and fund balance	 \$ <u><u>3,078,576</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
 Reconciliation of the Balance Sheet of the Governmental Fund
 to the Statement of Net Position
 June 30, 2022**

Total Fund Balance of Governmental Fund \$ 1,771,195

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the governmental fund.

Cost of capital assets	\$ 10,748,475	
Less accumulated depreciation	<u>(7,185,359)</u>	3,563,116

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Leases	\$ (142,256)	
Compensated absences	<u>(87,277)</u>	<u>(229,533)</u>

Net Position of Governmental Activities \$ 5,104,778

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
Statement of Revenues, Expenditures and
Change in Fund Balance - Governmental Fund
For the Year Ended June 30, 2022**

	General Fund
Revenues:	
Federal through state	\$ 1,028,963
State sources	13,733,005
Local sources	<u>139,036</u>
Total revenues	<u>14,901,004</u>
Expenditures:	
Instruction	8,128,545
Student support services	794,320
Instructional staff training services	50,506
Instruction related technology	102,654
Board	24,796
School administration	1,581,989
Fiscal services	820,564
Food services	425,406
Central services	84,905
Pupil transportation	276,219
Operation of plant	2,096,220
Maintenance of plant	48,362
Community services	642
Capital outlay	1,077,463
Debt service:	
Principal	139,650
Interest	<u>5,256</u>
Total expenditures	<u>15,657,497</u>
Net change in fund balance	(756,493)
Fund Balance, July 1, 2021	<u>2,527,688</u>
Fund Balance, June 30, 2022	<u>\$ <u>1,771,195</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
 Reconciliation of the Statement of Revenues,
 Expenditures and Change in Fund Balance of the
 Governmental Fund to the Statement of Activities
 For the Year Ended June 30, 2022**

Change in Fund Balance - Total Governmental Fund \$ (756,493)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are depreciated over their estimated useful lives as provision for depreciation.

Cost of capital assets	\$	1,077,463	
Provision for depreciation		<u>(771,936)</u>	305,527

Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position. 139,650

Certain items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences			<u>14,861</u>
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Change in Net Position of Governmental Activities \$ (296,455)

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Charter School
Statement of Revenues and Expenditures -
Budget and Actual - General Fund
For the Year Ended June 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal through state	\$ 506,616	\$ 1,028,963	\$ 522,347
State sources	13,478,993	13,733,005	254,012
Local sources	329,873	139,036	(190,837)
	<u>14,315,482</u>	<u>14,901,004</u>	<u>585,522</u>
Total revenues			
Expenditures:			
Instruction	8,195,187	8,128,545	66,642
Student support services	759,344	794,320	(34,976)
Instruction and curriculum development services	2,109	-	2,109
Instructional staff training services	36,688	50,506	(13,818)
Instruction related technology	89,500	102,654	(13,154)
Board	12,495	24,796	(12,301)
School administration	1,220,582	1,581,989	(361,407)
Fiscal services	818,542	820,564	(2,022)
Food services	243,433	425,406	(181,973)
Central services	23,165	84,905	(61,740)
Pupil transportation	276,731	276,219	512
Operation of plant	2,127,628	2,096,220	31,408
Maintenance of plant	106,498	48,362	58,136
Community services	-	642	(642)
Capital outlay	249,633	1,077,463	(827,830)
Debt service:			
Principal	140,171	139,650	521
Interest	7,812	5,256	2,556
	<u>14,309,518</u>	<u>15,657,497</u>	<u>(1,347,979)</u>
Total expenditures			
Net change in fund balance	\$ <u>5,964</u>	\$ <u>(756,493)</u>	\$ <u>(762,457)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

Coral Springs Charter School
Statement of Fiduciary Net Position
June 30, 2022

	<u>Custodial Fund Student Activities</u>
Assets:	
Cash and cash equivalents	\$ <u>226,085</u>
Liabilities:	
Due to General Fund	<u>15,000</u>
Net Position:	
Restricted for extracurricular activities	\$ <u><u>211,085</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Coral Springs Charter School
Statement of Changes in Fiduciary Net Position
June 30, 2022

	<u>Custodial Fund Student Activities</u>
Additions:	
Contributions	\$ <u>677,862</u>
Deductions:	
Extracurricular activities	595,536
Administrative	<u>2,118</u>
Total deductions	<u>597,654</u>
Change in net position	80,208
Net Position, Beginning of Year	<u>130,877</u>
Net Position, End of Year	\$ <u><u>211,085</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Note 1 - Organization and Operations

Coral Springs Charter School (the "School") was established in July 1999 as a Florida nonprofit organization. The School, which is reported as a Special Revenue Fund of the City of Coral Springs, Florida (the "City"), was established as a charter school and services students from sixth through twelfth grade. A charter from the School Board of Broward County, Florida was granted to the City to operate a charter school pursuant to Section 228.056 of the Florida Statutes. There were 1,665 students enrolled for the 2021/2022 school year.

The School is part of the City's government and is not a separate legal entity apart from the City. The financial statements of Coral Springs Charter School present only the balances, activity, and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring School District, the School Board of Broward County (the "District"). The current charter is effective until June 2029, and may be renewed in increments of five years by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's basic financial statements.

Basis of presentation: Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide - Not-for-Profit Organizations and provisions of Section 228.056, Florida Statutes the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide financial statements: Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Note 2 - Summary of Significant Accounting Policies (continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund financial statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The General Fund is the School's only major fund and it is used to account for all financial transactions of the School.

Additionally, the School reports separately the following fiduciary fund type:

Custodial Fund - This fund is used to administer funds raised and earned by the various clubs and activities that are part of the School.

Basis of accounting: Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within one hundred twenty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and cash equivalents: The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School maintains its cash accounts at one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

In addition, most of the School's cash and cash equivalents are maintained in the City's pooled cash account for which the City does not make a specific allocation to the School. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. At June 30, 2022, the balance in this account amounted to \$ 1,851,373.

Note 2 - Summary of Significant Accounting Policies (continued)

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Revenue recognition: Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a pro rata basis over a twelve month period and is adjusted for changes in full-time equivalent (FTE) student population.

Capital assets: Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with a cost of \$ 750 and useful life of over one year. Donated property and equipment assets are reported at the acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Improvements other than building	5-10 years
Building improvements	15 years
Computer hardware	3 years
Furniture, fixtures, and equipment	5 years
Audio visual materials	5 years
Computer software	3 years
Motor vehicles	5 years

The School has recorded a right to use lease asset as a result of implementing GASB 87. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Note 2 - Summary of Significant Accounting Policies (continued)

Compensated absences: The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are paid out of the General Fund.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that is available to fund future operations.

Fund balance: The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- Assigned - this classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

Note 2 - Summary of Significant Accounting Policies (continued)

- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 10.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Budget: An operating budget is adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the financial statements.

The Charter School is reported as a Special Revenue Fund of the City. Accordingly, its budget is included in the legally adopted budget of the City. The City established the following budgetary procedures that relate to the Charter School and have been reflected in the Charter School's financial statements.

Prior to September 30, the City Manager submits to the City of Coral Springs Charter School Board of Directors the proposed operating budget for the Charter School Special Revenue Fund. This budget is based on the Charter School's fiscal year, which is from July 1 to June 30. The City's fiscal year is from October 1 to September 30. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution by the City of Coral Springs Charter School Board of Directors.

The budget is adopted in accordance with accounting principles generally accepted in the United States of America (GAAP).

Each department director within the City is authorized to transfer budget amounts within individual departments. Revisions which alter the total expenditures of any department within a fund must be approved by the City Manager. Revisions which alter the total expenditures of any fund must be approved by the City of Coral Springs Charter School Board of Directors. Actual expenditures and operating transfers out may not exceed "budget" appropriations at the individual fund level. Legal level of control is maintained at the fund level. For the year ending June 30, 2022, expenditures exceeded the budget by \$ 762,457. This variance was partially covered by revenues in excess of the budget.

If, during the course of the fiscal year, it becomes evident that a particular fund is unable to provide the required level of services to the community due to unexpected higher costs of providing services or a shortfall of revenue, the budget may be amended. The Director of Financial Services submits to the City of Coral Springs Charter School Board of Directors a request to amend the budget. The request contains explanations written by the director of the department making the request. The request includes a proposal for financing if additional expenditures are requested.

Appropriations which are neither expended, encumbered, nor specifically designated to be carried over, lapse at the end of the fiscal year. At year end, open encumbrances lapse in the Charter School Special Revenue Fund.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management review: Subsequent events were evaluated by management through (DATE), which is the date that the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2022, the carrying amount of the deposits and cash on hand is as follows:

Cash on hand	\$	500
Demand accounts		791,732
City of Coral Springs pooled cash and cash equivalents		<u>1,851,373</u>
	\$	<u><u>2,643,605</u></u>

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the Treasurer is defined by the Statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits are held in a qualified public depository. They are covered by the collateral pool, as the School has identified itself as a public entity at June 30, 2022.

Note 4 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balance at July 1, 2021, as Reclassified	Additions	Transfers	Balance at June 30, 2022
Capital assets, depreciated/ amortized:				
Improvements other than building	\$ 3,766,154	\$ 355,070	\$ -	\$ 4,121,224
Building improvements	1,261,970	16,779	-	1,278,749
Motor vehicles	41,145	-	-	41,145
Computers	2,737,829	618,469	217,768	3,574,066
Furniture, fixtures and equipment	1,444,914	87,145	(217,768)	1,314,291
Intangible right to use:				
Computers	<u>419,000</u>	<u>-</u>	<u>-</u>	<u>419,000</u>
Total capital assets being depreciated/amortized	<u>9,671,012</u>	<u>1,077,463</u>	<u>-</u>	<u>10,748,475</u>

Coral Springs Charter School
Notes to Basic Financial Statements
June 30, 2022

Note 4 - Capital Assets (continued)

	Balance at July 1, 2021, as Reclassified	Additions	Transfers	Balance at June 30, 2022
Accumulated depreciation/ amortized:				
Improvements other than building	1,774,553	265,284	-	2,039,837
Building improvements	838,784	84,970	-	923,754
Motor vehicles	30,859	8,229	-	39,088
Computers	2,634,310	201,280	-	2,835,590
Furniture, fixtures and equipment	1,041,806	72,506	-	1,114,312
Intangible right to use:				
Computers	93,111	139,667	-	232,778
Total accumulated depreciation/ amortization	6,413,423	771,936	-	7,185,359
Net capital assets being depreciated/amortized	\$ 3,257,589	\$ 305,527	\$ -	\$ 3,563,116

Provision for depreciation was charged to governmental activities as follows:

Instruction	\$ 413,453
Operation of plant	358,483
	<u>\$ 771,936</u>

Note 5 - Commitments

Leases: The City previously entered into an operating lease agreement on behalf of the School for the use of its premises. The lease term is for one year and renews automatically as long as the City operates the School. Monthly payments under this lease are \$ 118,333. The facility rent expense for the year ended June 30, 2022 was \$ 1,420,000.

Management agreement: The City has a formal agreement with Charter Schools USA, Inc. (“CSUSA”) to manage, staff, and operate the School. The fiscal year 2021 agreement requires the City to pay an annual management fee to CSUSA equal to \$ 363.06 per enrolled student, up to \$ 606,310. CSUSA also receives an incentive fee of \$ 124.03 per enrolled student, up to \$ 207,130. This incentive fee is also contingent on certain performance goals being achieved by the School, as well as availability of funds and other conditions. Additionally, CSUSA is reimbursed by the City for expenditures paid by CSUSA on behalf of the School. Payments required under the agreement are to be made by the School. Total fees amounted to \$ 813,440 for the year ended June 30, 2022. Subsequent to year end, the agreement was renewed through 2025 with an option to extend for additional terms of up to fifteen years. The basic financial statements reflect a due to CSUSA of \$ 357,586 at June 30, 2022.

FTE Funding: The School receives funding from the District which is received from the State of Florida that is based, in part on a computation of the number of full time equivalent (FTE) students enrolled in the School. The accuracy of the data provided by the School supporting the FTE count is subject to state audit and, if found to be in error, could result in refunds or in decreases in future funding allocations.

Note 5 - Commitments (continued)

It is the opinion of management that the amount of revenue which may be remitted back to the State due to errors in the FTE count or amount of grant expenditures which may be disallowed by granting agencies, if any, will not be material to the financial position of the School.

Post-retirement benefits: The School does not provide post-retired benefits to retired employees.

Note 6 - Leases

Previously, the School entered into two lease arrangements for computer equipment. The leases require monthly payments of \$ 12,076 through September 2023 and then \$ 9,359 through October 2023. As of June 30, 2022, the net book value of the computer equipment is approximately \$ 186,200. Amortization of the computer equipment is included with depreciation expenses.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 97,333	\$ 3,474	\$ 100,807
2024	44,923	838	45,761
	<u>\$ 142,256</u>	<u>\$ 4,312</u>	<u>\$ 146,568</u>

Note 7 - Long-Term Liabilities

Changes in the School’s long-term liabilities for fiscal year ended June 30, 2022, are as follows:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022	Amount Due Within One Year
Capital leases - computers	\$ 281,906	\$ -	\$ 139,650	\$ 142,256	\$ 97,333
Compensated absences	102,138	250,176	265,037	87,277	65,458
Total	<u>\$ 384,044</u>	<u>\$ 250,176</u>	<u>\$ 404,687</u>	<u>\$ 229,533</u>	<u>\$ 162,791</u>

Note 8 - Employee Benefit Plan

During the year ended June 30, 2022, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the “Plan”) under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant’s annual elective deferral to the Plan. As determined annually by the School’s management, the School may also make a discretionary profit sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to the following schedule:

Note 8 - Employee Benefit Plan (continued)

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	25%
2	50%
3	75%
4	100%

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2021, the School had \$ 2,007 in forfeitures. For the year ended June 30, 2022, the School contributed a matching amount of \$ 71,883.

Note 9 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring district. The School’s CSCO Award totaled \$ 880,184 for the 2021/2022 school year which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay its portion of the lease expense on the facility.

Note 10 - Risk Financing

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the past three years.

As disclosed in Note 5, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers’ compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

OTHER INDEPENDENT AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City of Coral Springs Charter School
Board of Directors and City Manager
Coral Springs Charter School
Coral Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Coral Springs Charter School (the "School"), a Special Revenue Fund of the City of Coral Springs, Florida (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated (DATE).

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
(DATE)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the City of Coral Springs Charter School
Board of Directors and City Manager
Coral Springs Charter School
Coral Springs, Florida

Report on the Financial Statements

We have audited the financial statements of Coral Springs Charter School (the "School"), a Special Revenue Fund of the City of Coral Springs, Florida, as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated (DATE).

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated (DATE), should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education are Coral Springs Charter School and 065091.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
(DATE)